

THE WOODLANDS TOWNSHIP

BOARD OF DIRECTORS

REGULAR BOARD MEETING

AUGUST 25, 2010

MINUTES

THE STATE OF TEXAS §

COUNTIES OF HARRIS & MONTGOMERY §

The Board of Directors of The Woodlands Township met in regular session, open to the public, on August 25, 2010, posted to begin at 6:00 p.m. The meeting was held at the office of The Woodlands Township, Service Center, 2201 Lake Woodlands Drive, The Woodlands, Texas, within the boundaries of The Woodlands Township.

DIRECTORS PRESENT: Chairman Bruce Tough, Vice Chairman Lloyd Matthews, Secretary Claude Hunter, Treasurer Ed Robb, Director Nelda Blair, Director Tom Campbell, and Director Peggy Hausman

DIRECTORS ABSENT: None

STAFF/ADVISORS: Don Norrell, President/General Manager, John Powers, Assistant General Manager Community Services, Monique Sharp, Assistant General Manager of Finance & Administration, Fire Chief Alan Benson, Susan Welbes, Director of Human Resources, Nick Wolda, Director of Community Relations/CVB President, Miles McKinney, Legislative Affairs & Transportation Manager, Karen Dempsey, Management Analyst, Mary Connell, Community Relations Manager, and Mike Page, Legal Counsel

CALL TO ORDER:

Chairman Tough called the meeting to order at 6:00 p.m. and declared that notice of this meeting was posted 72 hours in advance at the Courthouses of Montgomery and Harris Counties and inside the boundaries of The Woodlands Township at the office building located at 2201 Lake Woodlands Drive, The Woodlands, Texas. As there was a quorum of members present, the Board proceeded to conduct business regarding the following matters.

CONSIDER AND ACT UPON ADOPTION OF MEETING AGENDA:

Chairman Tough called for a motion and second to adopt the meeting agenda.

MOTION: Motion by Secretary Hunter; second by Director Blair

VOTE: **Ayes:** Chairman Tough

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Vice Chairman Matthews
Secretary Hunter
Treasurer Robb
Director Blair
Director Campbell
Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously.

RECOGNIZE PUBLIC OFFICIALS:

Chairman Tough recognized the following Public Officials:

- Dr. Don Stockton-Superintendent, Conroe Independent School District
- Chris Irish-Conroe Independent School District Board of Trustees
- Dr. Ann Snyder-Conroe Independent School District Board of Trustees
- Gerald Irons-Conroe Independent School District Board of Trustees
- John Husbands-Conroe Independent School District Board of Trustees
- Lynda Sasser-Conroe Independent School District Board of Trustees

The Public Official's Sign In Roster is attached hereto as Exhibit "A".

PUBLIC COMMENT:

The following members of the public addressed the Board:

- Anthony Fasone-Committee structure
- Thad Bolin-South Montgomery County Girls' Softball League (handout)
- Belton Byrd-Water taxis

The Public Comment Roster and handout material are attached hereto collectively as Exhibit "B".

RECOGNIZE CONROE INDEPENDENT SCHOOL DISTRICT FOR EARNING EXEMPLARY STATUS BY THE TEXAS EDUCATION AGENCY:

The Woodlands Township Board of Directors recognized Conroe Independent School District (CISD), by way of proclamation, for achieving Exemplary Status by the Texas Education Agency. Dr. Don Stockton, Superintendent of CISD and CISD Trustees Chris Irish, Dr. Ann Snyder, Gerald Irons, John Husbands, and Lynda Sasser accepted the proclamation on behalf of the school district.

Following the presentation, Chairman Tough called for a motion and second to approve the proclamation.

MOTION: Motion by Director Blair; second by Secretary Hunter

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman
Nays: None

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Absent: None

ACTION: Motion passed unanimously.

A copy of the proclamation is attached hereto as Exhibit "C".

RECOGNIZE THE WOODLANDS TOWNSHIP LIFEGUARDS FOR RETAINING THE TITLE OF TEXAS STATE LIFEGUARD CHAMPIONS:

Chairman Tough referred the Board to a handout and then called on Chris Nunes, Director of Parks and Recreation for The Woodlands Township, to comment on the lifeguard competition program. Following Mr. Nunes comments, members of the winning lifeguard team consisting of Nick Hulza, Trohn Trabona, Caroline Pierce, and Erica Hill were introduced and then presented with certificates of recognition.

Following the presentations, a motion was offered to formally recognize The Woodlands Township's lifeguards as Texas State Lifeguard Champions.

MOTION: Motion by Secretary Hunter; second by Vice Chairman Matthews

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously.

Handout material is attached hereto as Exhibit "D".

RECEIVE AND CONSIDER THE LAW ENFORCEMENT REPORT FROM CAPTAIN EASON WITH THE MONTGOMERY COUNTY SHERIFF'S OFFICE:

Captain Eason reported that all law enforcement positions have been filled; gave a bike patrol update and provided statistical data. Captain Eason also reported that the sheriff's office is working closely with Cisd on monitoring speeders near school zones.

RECEIVE AND CONSIDER REPORTS FROM VILLAGE ASSOCIATION REPRESENTATIVES:

Reports were provided by the following Village Association (VA) representatives:

Cochran's Crossing VA-Brian Duelm reported that the fall festival will be held October 24, 2010. The Association also approved by-law changes.

Grogan's Mill VA-Jim Upham reported on the Fall Farmers' Market-October 2, 2010 from 8 a.m.-12 p.m. at the Grogan's Mill Shopping Center.

Indian Springs VA-Ron Kostelny reported that the National Night Out Neighborhood Party will take place Tuesday, October 5, 2010 from 5:30 p.m. to 8:00 p.m.; noted that Indian Spring's won "Best Float" for its entry in the Red, Hot & Blue Parade; Taste of the Village will take place October 16, 2010; drafting a letter to 2010 *Ironman* event organizers regarding the village's offer to help during the event.

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Panther Creek VA-Everett Ison reported that a baseball outing will take place September 11, 2010; Fall Flea Market will take place on November 6, 2010; news media covered the return of area soldiers.

Alden Bridge VA-No report

College Park VA-No report

Creekside Park VA-No report

Sterling Ridge VA-No report

The Village Association Representatives' Sign In Sheet is attached hereto as Exhibit "E".

CONSIDER AND ACT UPON THE CONSENT AGENDA;

(This agenda consists of non-controversial or "housekeeping" items required by law that will be placed on the Consent Agenda at the next Board Meeting and may be voted on with one motion. Items may be moved from the Consent Agenda to the Regular Agenda by any Board Member making such request.)

CONSENT AGENDA ITEMS:

- (a) Approve the minutes of the July 21, 2010 Budget Workshop, July 22, 2010 Regular Board Workshop, July 27, 2010 Budget Workshop, July 28, 2010 Regular Board Meeting, July 28, 2010 Town Hall Meeting, July 29, 2010 Budget Workshop, July 30, 2010 Budget Workshop, and August 2, 2010 Budget Workshop of the Board of Directors of The Woodlands Township;
- (b) Award the bid for park and pathway maintenance to BIO Landscape & Maintenance, Inc. and authorize the President/General Manager to execute a contract for the services to include an initial three year term and two options to extend the contract for one year periods; authorize up to seven percent of the annual contract amount for additional staff resources or contracted services to supervise and manage the performance of the contractor;
- (c) Award waste collection consulting services to RW Beck and authorize the President/General Manager to execute a professional services agreement;
- (d) Approve a Facilities Easement Agreement with Southwestern Bell Telephone Company for Section 42 of the Village of Sterling Ridge, Restricted Open Space Reserve "B" and authorize the President/General Manager to execute the Agreement;
- (e) Approve a Memorandum of Understanding with the Houston-Galveston Area Council to provide monthly reports on trolley usage and authorize the President/General Manager to execute the agreement.

Chairman Tough called for a motion and second to adopt the Consent Agenda.

MOTION: Motion by Treasurer Robb; second by Director Campbell

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously.

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Executive Summaries and supporting materials for Consent Agenda items are attached hereto collectively as Exhibit "F".

BRIEFINGS:

There were no briefings.

REGULAR AGENDA:

Consider and act upon the Financial Report;

Monique Sharp presented the Financial Report and referred the Board to handout material containing the General Purpose Financial Statements as of and for the seven months ended July 31, 2010. After a review of the Combined Financial Statements and Monthly Investment Report, a report on the General Fund Budget vs. Actual was presented. Ms. Sharp then reported on the Township's sales tax collections, hotel occupancy tax collections, and property tax collections. Following Ms. Sharp's presentation, Chairman Tough called for a motion and second to approve the Financial Report.

MOTION: Motion by Director Blair; second by Vice Chairman Matthews

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously.

The Financial Report is attached hereto as Exhibit "G".

Consider and act upon a recommendation from the Public Facilities Administration Committee regarding a proposal to heat Creekwood Swimming Pool;

John Powers presented this item as outlined in an Executive Summary. Following Mr. Powers' presentation, the Chair called for a motion and second to approve a recommendation from the Public Facilities Administration Committee regarding a proposal to heat Creekwood swimming pool and authorize the President/General Manager to execute a Park Use Agreement with The Woodlands Swim Team.

MOTION: Motion by Director Campbell; second by Director Hausman

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously.

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The Executive Summary for this item is attached hereto as Exhibit “H”.

Consider and act upon a recommendation from the Public Facilities Administration Committee regarding the issuance of permits for the Designated Public Space Vending Program;

John Powers presented this item as outlined in an Executive Summary. Following Mr. Powers' presentation, the Chair called for a motion and second to approve the recommendation from the Public Facilities Administration Committee regarding the issuance of permits for the Designated Public Space Vending Program.

MOTION: Motion by Director Blair; second by Secretary Hunter

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously.

The Executive Summary for this item is attached hereto as Exhibit “I”.

Consider and act upon approval of a proposal for The Woodlands Township to assume the operating and maintenance responsibilities for Lake Woodlands and the dam, beginning with the 2011 operating budget;

John Powers presented this item as outlined in an Executive Summary. Following Mr. Powers' presentation, the Chair called for a motion and second to approve the concept proposal and authorize the President/General Manager to return to the Board in September with a finalized agreement for consideration.

MOTION: Motion by Vice Chairman Matthews; second by Director Hausman

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously.

The Executive Summary for this item is attached hereto as Exhibit “J”.

Consider and act upon authorizing payment of The Woodlands Township's pro rata share of indebtedness allocable to territory excluded from Montgomery County Emergency Services District No. 10, and approve a budget amendment in connection therewith;

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Monique Sharp presented this item as outlined in an Executive Summary. Following Ms. Sharp's presentation, the Chair called for a motion and second to authorize a payment to Montgomery County Emergency Services District No.10 in the amount of \$663,248.72 and approve a budget amendment in connection therewith.

MOTION: Motion by Secretary Hunter; second by Director Campbell

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously.

The Executive Summary for this item is attached hereto as Exhibit "K".

Consider and act upon the First Amendment to the Facilities Use Agreement with Lone Star College for The Woodlands Emergency Training Center;

Deputy Chief Richard Windham presented this item as outlined in an Executive Summary. Following Chief Windham's presentation, the Chair called for a motion and second to approve the terms and conditions of the First Amendment to the Facilities Use Agreement between The Woodlands Township, The Woodlands Fire Department and Lone Star College-Montgomery for The Woodlands Emergency Training Center and authorize the President/General Manager to execute said agreement.

MOTION: Motion by Vice Chairman Matthews; second by Director Campbell

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously.

The Executive Summary for this item is attached hereto as Exhibit "L".

Consider and act upon support of a grant application to the Houston-Galveston Area Council (H-GAC) by the Brazos Transit District to construct an intermodal transit terminal and parking garage on property owned by The Woodlands Township, adjacent to the existing Six Pines Drive parking garage;

Chairman Tough referred the Board to a handout and then called on Don Norrell to present this item as outlined in an Executive Summary. Following, Mr. Norrell's presentation, Barry Goodman, President of The Goodman Corporation addressed the Board. Mr. Goodman used a PowerPoint presentation and

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provided additional background information on the transit terminal and parking facility project as well as the grant funding matter. At the conclusion of the presentations, Chairman Tough called for a motion and second to support a grant application to the Houston-Galveston Area Council by Brazos Transit District to construct an intermodal transit terminal and parking garage on property owned by The Woodlands Township, adjacent to the existing Six Pines Drive parking garage.

MOTION: Motion by Director Blair; second by Vice Chairman Matthews and Treasurer Robb

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair

Nays: Director Campbell
 Director Hausman

Absent: None

ACTION: Motion passed.

The Executive Summary for this item is attached hereto as Exhibit "M".

Consider and act upon authorizing contracts for "tail" directors & officers liability insurance coverage for The Woodlands Community Association, The Woodlands Association, and The Woodlands Commercial Owners Association;

Monique Sharp presented this item as outlined in an Executive Summary. Following Ms. Sharp's presentation, the Chair called for a motion and second to authorize the President/General Manager to execute contracts for "tail" insurance coverage for The Woodlands Community Association, The Woodlands Association, and The Woodlands Commercial Owners Association as outlined in Section VI.C. of the Transition Agreement in the total aggregate amount of \$145,248.

MOTION: Motion by Vice Chairman Matthews; second by Secretary Hunter

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously.

The Executive Summary for this item is attached hereto as Exhibit "N".

Consider and act upon a report regarding the status of refunding of The Woodlands Township's outstanding Sales and Use Tax and Hotel Occupancy Tax Bonds, Series 2001, including selection of an underwriter for the proposed refunding bonds;

Chairman Tough referred the Board to handout material and then called on Mike Page to introduce this item. Following Mr. Page's comments, Drew Masterson, Managing Director of First Southwest Company, provided the Board with an update on the bond refunding matter. Mr. Masterson indicated that the market is very strong, interest rates are low and an estimated savings of \$350,000 per year or nearly 4

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million dollars over seventeen years could be realized by refunding the bonds. Additionally, Mr. Masterson reviewed results of an Underwriter Request for Proposal. Southwest Securities received the highest ranking out of four submitted proposals. The Board was then informed that due to an aggressive timetable, a special meeting had been scheduled for August 31, 2010 at 9:00 a.m. at the Board Chamber offices. The Board will consider and act upon approving offering documents to get the bonds underwritten at this meeting.

Following the presentations, Chairman Tough then called for a motion and second to authorize selection of an underwriter as suggested for the proposed refunding bonds.

MOTION: Motion by Director Blair; second by Director Hausman

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously.

Handout material is attached hereto as Exhibit "O".

Consider and act upon amending the hotel occupancy tax order to include provisions for supplemental hotel occupancy tax collections to begin January 1, 2011;

Mike Page presented this item and referred the Board to Order No. 013-10 for their review. Following background information on this item, Chairman Tough called for a motion and second to authorize amending the hotel occupancy tax order to include provisions for supplemental hotel occupancy tax collections to begin January 1, 2011.

MOTION: Motion by Director Blair; second by Vice Chairman Matthews

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Hausman

Nays: Director Campbell

Absent: None

ACTION: Motion passed.

Order No. 013-10 Imposing a Supplemental Hotel Occupancy Tax is attached hereto as Exhibit "P".

Consider and act upon adoption of a policy/order to include provisions for event admissions tax collections beginning January 1, 2011;

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Mike Page presented this item and referred the Board to Order No. 014-10 for their review. Following background information on this item, Chairman Tough called for a motion and second to approve adoption of an Order Imposing an Event Admissions Tax effective January 1, 2011.

MOTION: Motion by Secretary Hunter; second by Director Blair

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously.

Order No. 014-10 Imposing an Events Admissions Tax is attached hereto as Exhibit "Q".

Consider and act upon adoption of the 2011 Consolidated Budget for The Woodlands Township;

Monique Sharp presented this item as outlined in an Executive Summary. Following Ms. Sharp's presentation, Chairman Tough called for a motion and second to adopt the 2011 Consolidated Budget for The Woodlands Township as presented, including approval to establish a self insurance reserve of \$800,000 from operating reserves available at year end 2010.

MOTION: Motion by Vice Chairman Matthews; second by Director Blair.

Director Campbell made a friendly amendment to the motion to adjust the parks and pathway maintenance contract amount to the bid amount over the next three years and recognize the interest savings on the bonds. Secretary Hunter seconded the motion. Vice Chairman Matthews and Director Blair did not accept the friendly amendment. Chairman Tough then called for a vote on the amended motion. The amended motion failed with Directors Campbell and Hunter voting "yes"; Directors Tough, Matthews, Robb, Blair, and Hausman voting "no".

Chairman Tough restated the original motion as presented above and then called for a vote.

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Treasurer Robb
 Director Blair
 Director Hausman

Nays: Secretary Hunter
 Director Campbell

Absent: None

ACTION: The original motion passed.

The Executive Summary for this item is attached hereto as Exhibit "R".

Consider, adopt and set by Order the 2010 ad valorem tax rate for maintenance and operations and the 2010 ad valorem tax rate for debt service;

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Chairman Tough informed the Board that action on this item would need to be deferred until next week during the special Board of Directors' meeting on August 31, 2010. Monique Sharp explained that an error in the first notice regarding the time and location of the meeting was made requiring a new notice to be published with the corrected information.

Following Ms. Sharp's explanation, the Chair called for a motion and second to set August 31, 2010 as the meeting date wherein the property tax will be adopted. This meeting will be held at 9:00 a.m. at the Township's Board Chambers.

MOTION: Motion by Secretary Hunter; second by Director Campbell

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Blair
 Director Campbell
 Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously.

CLOSED MEETING (if applicable)

Recess to Executive Session to discuss matters relating to real property pursuant to §551.072, Texas Government Code; deliberation of economic development negotiations pursuant to §551.087, Texas Government Code; discuss personnel matters pursuant to §551.074, Texas Government Code; and to consult with The Woodlands Township's attorney concerning pending litigation pursuant to §551.071, Texas Government Code;

There was no need for Executive Session.

DISCUSS FUTURE AGENDA/ANNOUNCEMENTS:

Consideration of items to be placed on the agenda for next month's meeting;

- Secretary Hunter asked that the Board consider revisions to the Board committee structure. Chairman Tough noted that this item will be placed on the September Board workshop agenda.
- Director Campbell asked that a plan be presented showing how expenses, loans, contracts, etc. will be handled for the operation of the water taxis.

Board announcements; and

- Director Hausman commented that August 26, 2010 celebrates the 90th anniversary of Women's Right to Vote.

As there was no further business to discuss, Chairman Tough called for a motion and second to adjourn the meeting at 8:12 p.m.

MOTION: Motion by Secretary Hunter; second by Treasurer Robb

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter

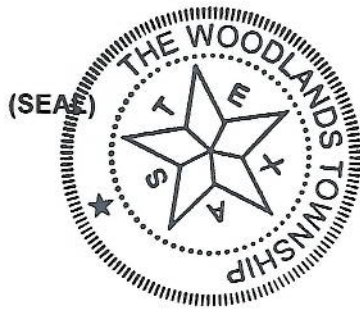
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Treasurer Robb
Director Blair
Director Campbell
Director Hausman

Nays: None

Absent: None

ACTION: Motion passed unanimously.




Claude Hunter
Secretary, Board of Directors

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EXHIBIT OMISSIONS*

EXHIBIT "A"	EXHIBIT "J"
EXHIBIT "B"	EXHIBIT "K"
EXHIBIT "C"	EXHIBIT "L"
EXHIBIT "D"	EXHIBIT "M"
EXHIBIT "E"	EXHIBIT "N"
EXHIBIT "F"	EXHIBIT "O"
EXHIBIT "G"	EXHIBIT "P"
EXHIBIT "H"	EXHIBIT "Q"
EXHIBIT "I"	EXHIBIT "R"

***To view Exhibits, please contact the Records Management Analyst at 281-210-3800.**